



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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February 19, 1999

Richard Manus
BLM Price Field Office
125 South 600 west
Price, Utah 84501

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Gold Terra, Inc., Blue Castle Mine, S/015/077, Emery County, Utah

Dear Mr. Manus:

On February 8, 1999 we received a Notice for Gold Terra Inc.'s, Blue Castle Mine located in NE 1/4 SE 1/4 Section 29, T16S, R14E, Emery County, Utah. Your agency's designated number for this project is unknown at this time. On February 17, 1999 representatives of Blackhawk Engineering, Inc called me to discuss this notice. As a result of our phone conversation Blackhawk Engineering faxed the Division additional information relevant to the notice. The additional information included: a Cultural Resource Inventory of the Blue Castle Mine Site and Access Road prepared by Montgomery Archaeological Consultants; a Threatened and Endangered Species Inventory and a Vegetation Inventory prepared by Environmental Industrial Services; and a revised version of "Figure 3" which included dimensions for the trapezoidal shaped mine excavation area.

The Division has evaluated the notice information described above according to the Small Mining Operation section of our Rules. The information provided in the notice does meet the requirements of Rule R647-3 of the 1988 Division of Oil, Gas and Mining Minerals Rules, and Title 40-8, et seq., of the Utah Mined Land Reclamation Act of 1975. No additional information is required from the operator by the Division at this time; however, **a clarification regarding an implied variance from the revegetation requirements is needed.**

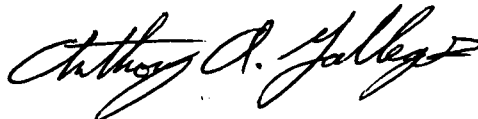
Due to the lack of existing vegetation on the area proposed to be excavated, Gold Terra, Inc. does not propose to revegetate the mined out excavation. The notice submission describes the area to be mined as being a barren shale slope. The notice includes photographs of the area which illustrate the minimal existing vegetation on this shale slope prior to mining. Dean Nyffeler of the BLM confirmed these site conditions during a February 18, 1999 telephone conversation. Given the above information, **the Division will grant a variance from the revegetation standards for the excavation area as currently proposed. Under this variance, reclamation of the excavation area will not require seeding. Since this excavation area will not require seeding, the 70% revegetation success standard will not apply to this area.** Please inform our Division and the operator of the BLM's agreement or disagreement with this variance in your notice review.

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Blue Castle Mine
S/015/077
February 19, 1999

It is understood that the Division will notify your office of any permitting concerns we may have, and in turn, your office, acting as 'Lead Agency' will notify the operator accordingly. In the interest of time we have sent the operator a copy of this letter and a copy of the enclosed SMO-NOI Summary, Operation and Reclamation Practices, as taken from Notice of Intention to Commence Small Mining Operations (form MR-SMO). By accepting this Notice the Division expects the operator to comply with the practices listed on this page.

Please provide us with a copy of your final completeness/approval letter to the operator. In addition, if you receive additional information or amendments for this operation, please provide us with a copy of these documents so we can update our files. Please reference our designated file number S/015/077 when forwarding additional information on this project to us.

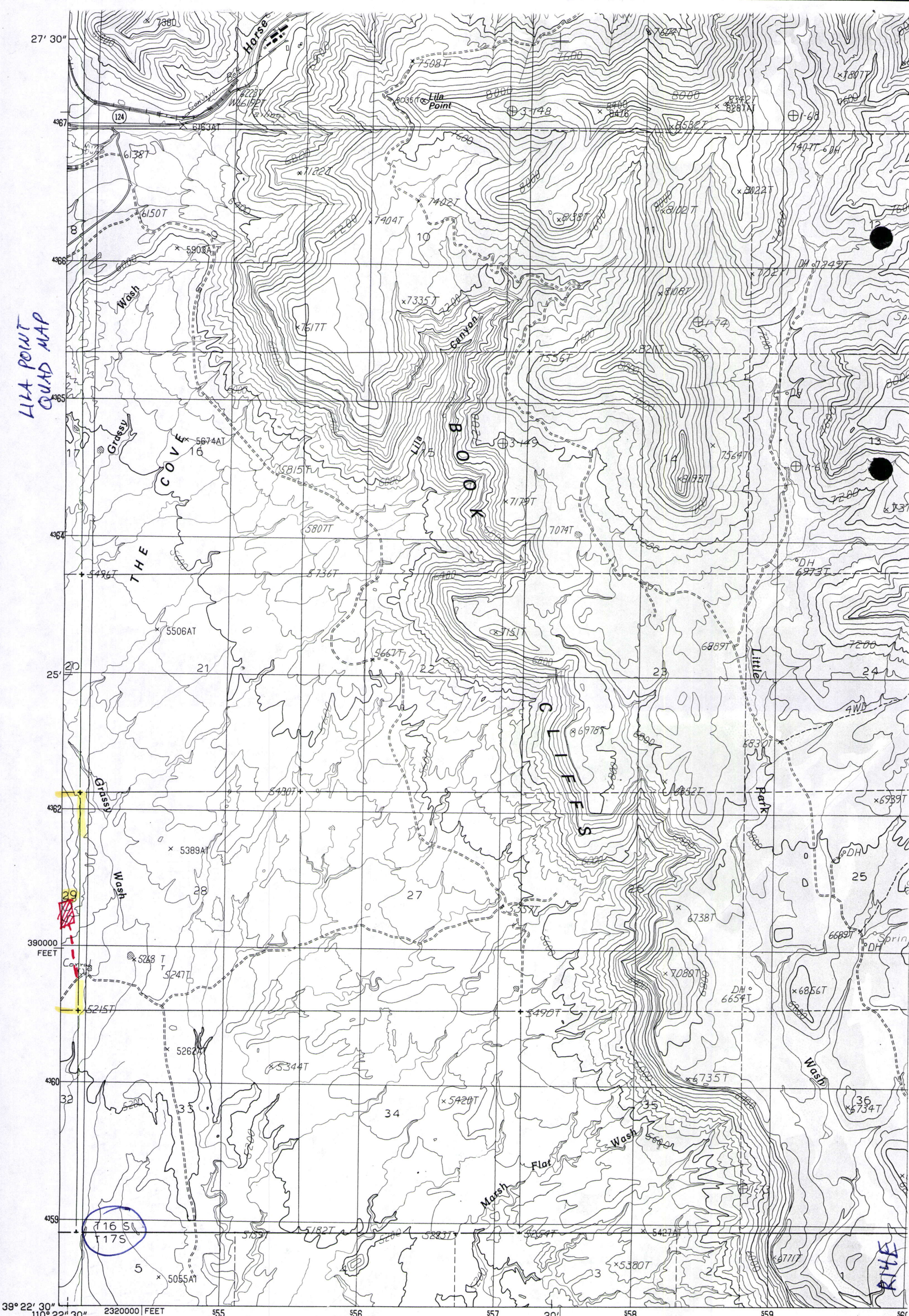
Sincerely,



Anthony A. Gallegos
Senior Reclamation Specialist

jb
Enclosure: SMO-NOI Summary
cc: Roger L. Bon, UGS
Daniel Sheppard, Gold Terra, Inc., (operator) w/encl
Dan Guy, Blackhawk Engineering, Inc. (operator's consultant) w/encl
Tracking File
s15-77.noi

LILA POINT
QUAD MAP

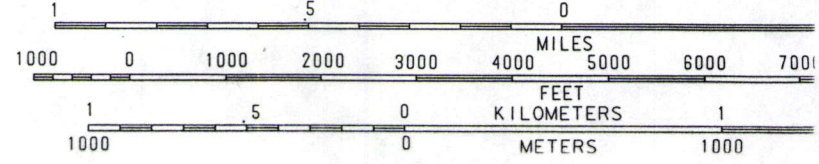


27' 30" 4367 4365 4364 25' 20' 390000 FEET 4362 4360 4359 39° 22' 30" 110° 22' 30" 2320000 FEET 555 556 557 20' 558 559 560

PRODUCED BY THE UNITED STATES GEOLOGICAL SURVEY
CONTROL BY USGS, NOS/NOAA
COMPILED FROM AERIAL PHOTOGRAPHS TAKEN 1979
FIELD CHECKED 1980 MAP EDITED 1985
PROJECTION LAMBERT CONFORMAL CONIC
GRID: 1000-METER UNIVERSAL TRANSVERSE MERCATOR ZONE 12
10,000-FOOT STATE GRID TICKS UTAH, CENTRAL ZONE
UTM GRID DECLINATION 0°26' EAST
1985 MAGNETIC NORTH DECLINATION 13°30' EAST
VERTICAL DATUM NATIONAL GEODETIC VERTICAL DATUM OF 1929

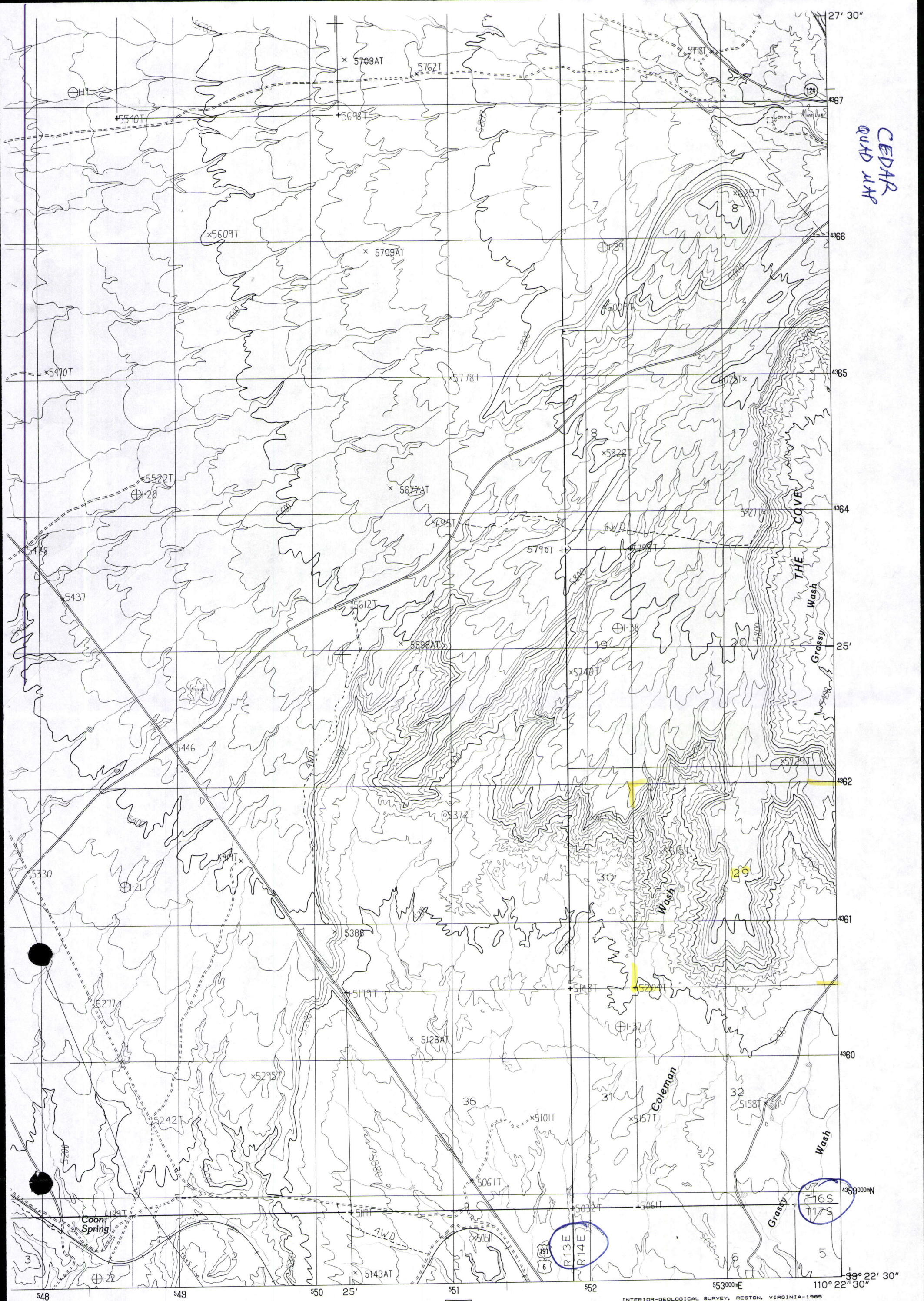


SCALE 1:24 000



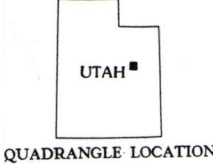
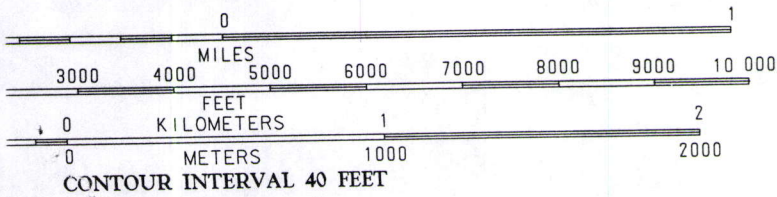
5/019/077
GOLD TERRA, INC.
BLUE CRYSTAL MINE
NE/4 SEC 29 T16S, R14E





CEDAR
QUAD, UT

SCALE 1:24 000



QUADRANGLE LOCATION

1	2	3	1 Sunnyside Junction
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ROAD LEGEND

- Improved Road
- Unimproved Road
- Trail
- Interstate Route U.S. Route State Route

S/015/077

GOLD TERRA INC.

BLUE CANYE /MINE

NE/4 SE/4 SEC 29 T16S,R14E